

Townes at Kettle Creek Owners Association, Inc.

Darren@zandrmgmt.com / www.Townesatkettlecreek.com

October 2, 2017

Dear Townes at Kettle Creek Homeowner:

Perhaps the singular most important aspect to running a homeowners association is participation by you, the homeowner. This participation encourages a sense of community and cooperation between all the residents and keeps your Association strong. This is the key to maintaining your assets properly and protecting the rights and property values of each and every homeowner.

Your best chance to participate in the Townes at Kettle Creek Owners Association is at the general membership meeting, which is held annually. Your Annual Meeting is scheduled for:

Monday, October 16, 2017

6:00 p.m.

Fire Station 19 (2490 Research Parkway, 80920)

Your attendance is important for several reasons. First and foremost, you get to meet your neighbors and be informed as to how the Association is run. Second, you help create a quorum of voting members so that the decisions made (i.e. budget ratification) at the meeting are official. This year, the 5.1% increase is only being done to offset the expected increases in operating expenses, but will not cover those increases. The reserve allocation is also being lowered to balance the budget. The reserve study will be updated in 2018 in order to give us a better picture of where we stand and how much we need to fund.

Finally, you get to participate in the democratic process by choosing which candidate is going to fill the vacating position on the Board of Directors. ***If you are interested in serving on the Board, please submit your name in writing (email is preferred) to my attention no later than October 15, 2017, and I'll make sure you get on the ballot.***

If you cannot attend, please fill out and return the attached proxy. This proxy will designate the person of your choice to cast your vote at the meeting. All proxies should be mailed, emailed or faxed to Z&R at the above addresses prior to the meeting. The Board is responsible for deciding all the financial and contractual matters of the Association, so your vote is very important.

If you have any questions about the meeting or other Association matters, please feel free to call our office and we'll do our best to help you out. I hope to see you at the annual meeting!

Sincerely,



Darren H. Burns
Property Manager

Professionally Managed by:



6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918
Phone (719) 594-0506 • Fax (719) 884-4496



Townes at Kettle Creek OA ANNUAL MEMBERSHIP MEETING

October 16, 2017
6:00 p.m.
Fire Station 19
2490 Research Parkway

Type of meeting:

ANNUAL MEMBERSHIP MEETING

Agenda Topics

A. CALL TO ORDER

1. Roll Call (Completed at Door)
2. Certification of Proxies (Completed at Door)
3. Proof or Waiver of Notice (Quorum = 20%)
4. Previous Year's Meeting Minutes

B. REPORTS

1. President's Report
2. Financial Report (Annual Budget)

C. NEW BUSINESS

1. Introduction of Candidates
2. Nominations from Floor
3. Voting for Board Members

D. ANNOUNCEMENTS

E. ADJOURNMENT

The Townes at Kettle Creek Owners Association, Inc.

Annual Membership Meeting Minutes

October 17, 2016

The Townes at Kettle Creek Annual Membership Meeting was held at Fire Station 19. The meeting was called to order by Darren Burns at 5:57 p.m. Present were:

Arlene Chumley	President / Treasurer
Rhonda Martin	Director at Large
Darren Burns	Property Manager
<i>Absent: Carol Braker</i>	<i>Secretary</i>

A total of 13 homes were represented with 6 in person and 7 by proxy. Roll call was conducted at the door by Darren along with certification of any proxies that had not been submitted in advance of the meeting. A quorum was not present so the proof of notice was provided by the members present. Those present elected to continue the meeting. Darren introduced himself and the Board of Directors. Rhonda Martin was welcomed as the newest member who was appointed to fill the vacancy created by the resignation of Konrad Kahle. Arlene Chumley moved to approve the 2015 annual meeting minutes as submitted and the motion carried unanimously.

President's Report (presented by Arlene): A number of landscaping improvements were done during the course of the summer. For the coming winter and next year, snow removal walks will be scheduled with Brightview Landscaping and the possibility of snow stakes was discussed. Newsletter topics discussed were a group dryer vent cleaning rate and keeping garage doors closed.

Financial Report: Darren presented the September 2016 financial statements and the 2017 budget in detail. Due to rising operating costs, an assessment increase of 5.4% will take effect on January 1, 2017. From inception in 2006 through 2017, the average per year increase to the assessments is only 3.08% with only 4 increases in 12 years. Unfortunately, the increased revenue will only result in a very modest increase to reserve funding of \$1800 more for 2017.

NEW BUSINESS: Arlene volunteered to serve another term on the Board and Rhonda also volunteered to run for her first full term. Both were thanked for their service to the Community. Darren opened the floor for volunteers and there were none. Konrad moved to elect Arlene and Rhonda by acclamation and the motion carried unanimously. Officers were elected as follows and Board term expirations are also listed:

		<u>Term</u>
Arlene Chumley	President/Treasurer	2018
Carol Braker	Secretary	2017
Rhonda Martin	Director at Large	2018

The meeting was adjourned at 7:35 p.m.

Darren H. Burns
Property Manager

Carol Braker
Secretary

Townes at Kettle Creek

Balance Sheet

08/31/2017

Assets

Owner Receivables	17,128.09
Other Receivables	5,407.03
Cash Operating - First Bank	26,054.79
Reserves	
Reserve - First Bank	215,289.48
TOTAL Reserves	215,289.48
<u>Total Assets</u>	<u>263,879.39</u>

Liabilities

Owners Receivable Over Collected	8,866.52
Accounts Payable - Net Total	1,395.00
<u>Total Liabilities</u>	<u>10,261.52</u>

Net Worth

Reserve Funds	
Reserve Interest Earned	114.45
Reserve-Consolidated	229,764.22
Reserve Expense-Consolidated	(14,589.19)
TOTAL Reserve Funds	215,289.48
Prior Retained Earnings	1,326.00
Retained Earnings	18,463.68
Net Income	18,538.71
<u>Total Net Worth</u>	<u>253,617.87</u>
<u>Total Net Worth and Liabilities</u>	<u>263,879.39</u>

Townes at Kettle Creek

Income and Expense Comparative Statement

From 08/01/2017 to 08/31/2017

	<u>August 2017</u>		<u>January to August</u>			<u>Yearly Budgets</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Var. \$</u>	<u>Current</u>	<u>Last Year</u>
<u>Revenues</u>							
Monthly Dues	15,990	15,990	127,920	127,920		191,880	182,040
Interest Income		1		8	(8)	10	10
Late fee-Nsf Charges	350	100	2,541	800	1,741	1,200	1,200
Returned Check Charges			20		20		
Misc Income		83		664	(664)	1,000	1,000
Total Revenues	16,340	16,174	130,481	129,392	1,089	194,090	184,250

Expenses

Operating Expenses

Accounting Fees		29	325	232	(93)	350	1,350
Administration Costs	144	167	1,825	1,336	(489)	2,000	2,250
Bad Debt							1,500
Electric	18	23	150	184	34	280	280
General Mx and Repair	223	208	315	1,664	1,349	2,500	3,500
Gutter Repair	1,000		1,150		(1,150)		
Insurance Property/Liability	2,427	2,917	22,363	23,336	973	35,000	32,000
Landscaping		250	388	2,000	1,612	3,000	2,000
Legal Expense		333	660	2,664	2,004	4,000	4,000
**Legal Reimb		(208)	(660)	(1,664)	(1,004)	(2,500)	(2,500)
Lawn Contract	1,395	1,333	11,001	10,664	(337)	16,000	15,480
Light (Electric) Maint/Repair	400	208	1,449	1,664	215	2,500	2,500
Management Fees	1,230	1,230	9,840	9,840		14,760	14,760
Pest Control		21	1,137	168	(969)	250	250
Pond Maintenance		42		336	336	500	
Plumbing		62		496	496	750	500
Roof Repair	1,195	292	3,980	2,336	(1,644)	3,500	3,500
Siding/Stucco Repair			130		(130)		
Snow Removal		1,833	17,016	14,664	(2,352)	22,000	17,000
Street Repair/Sweep		22	500	176	(324)	270	250
Sprinkler Repair	830	229	3,676	1,832	(1,844)	2,750	2,250
Trash	770	740	6,127	5,920	(207)	8,880	8,880
Tree Maintenance	585	375	2,600	3,000	400	4,500	4,500
Water	2,531	1,500	10,302	12,000	1,698	18,000	17,000

	<u>August 2017</u>		<u>January to August</u>			<u>Yearly Budgets</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Var. \$</u>	<u>Current</u>	<u>Last Year</u>
TOTAL Operating Expenses	12,748	11,606	94,274	92,848	(1,426)	139,290	131,250
					1.5%		
Reserve Funding							
Reserve Allocation Consolidated	4,417	4,567	17,668	36,536	18,868	54,800	53,000
TOTAL Reserve Funding	4,417	4,567	17,668	36,536	18,868	54,800	53,000
Total Expenses	17,165	16,173	111,942	129,384	17,442	194,090	184,250
Net Income	(825)	1	18,539	8	18,531	0	0

Townes at Kettle Creek Budget for 2018

Revenues	Budget 2015	Budget 2016	Budget 2017	Budget 2018	Delta	Comments
Monthly Dues \$205 per month	167,280	182,040	191,880	201,720	9,840	5.1% Increase
Interest Income (Not Reserves)	15	10	10	0	(10)	Checking Acct. not Reserves
Late fee-Nsf Charges	1,000	1,200	1,200	1,800	600	Based on Actuals
Misc Income	0	1,000	1,000	0	(1,000)	Collected Fines
Total Revenue	\$168,295	\$184,250	\$194,090	\$203,520	\$9,430	
Expenses						
Accounting Fees	350	1,350	350	1,350	1,000	Full Audit
Administration Costs	2,000	2,250	2,000	2,300	300	Need more EFT!! - Bank Fees!!
Bad Debt	500	1,500	0	10,000	10,000	1st Mortgage Foreclosure - 1 Unit/book balance
Electric	250	280	280	280	0	Small increase anticipated
General Mx and Repair	3,500	3,500	2,500	2,500	0	Catch all account - multiple items
Insurance Property/Liability	29,000	32,000	35,000	39,000	4,000	Hail storms + Hurricanes = higher premiums
Landscaping	1,500	2,000	3,000	4,000	1,000	Winter Kill replacement = Approx. 50 shrubs
Legal Expense	3,000	4,000	4,000	1,350	(2,650)	Legal counsel required more often
**Legal Reimb	(2,500)	(2,500)	(2,500)	(1,000)	1,500	Collections offset to indiv. owner accounts
Lawn Contract	14,500	15,480	16,000	16,000	0	
Light (Electric) Maint/Repair	2,500	2,500	2,500	2,500	0	Monthly sweeps plus fixtures
Management Fees	11,808	14,760	14,760	14,760	0	
Pest Control	500	250	250	1,250	1,000	Heavier year
Pond Maintenance	0	0	500	500	0	Hydrojet Drainage Pipes
Plumbing	562	500	750	750	0	Driveway Cleanouts
Roof Repair	3,000	3,500	3,500	6,000	2,500	Roofs are aging
Snow Removal	15,000	17,000	22,000	23,500	1,500	Mult. Trips for ice - Bad yr predicted
Street Repair/Sweep	250	250	270	0	(270)	Seal Coat/Crack/Patch + Paint from reserves
Sprinkler Repair	2,000	2,250	2,750	3,130	380	System is aging
Trash	8,880	8,880	8,880	9,000	120	Includes recycling
Tree & Shrub Maintenance	4,000	4,500	4,500	5,700	1,200	Bug Sprays / Winter Water Trees + Shrubs x 3
Water	16,275	17,000	18,000	19,500	1,500	Est. under budget + water increase
Total Operating Expenses	\$116,875	\$131,250	\$139,290	\$162,370	\$23,080	
Reserve Allocation Consolidated	\$51,420	\$53,000	\$54,800	\$41,150	(\$13,650)	Res. Study says \$57,627, but \$130k behind schedule
Total Budget Requirement	\$168,295	\$184,250	\$194,090	\$203,520	\$9,430	
Surplus (Shortage)	\$0	\$0	\$0	\$0		
Per Unit	\$0.00	\$0.00	\$0.00	\$0.00		

TOWNES AT KETTLE CREEK DUES HISTORY

Year	Dues	% Increase	Total % Increase	Avg Per Year
2006	\$145.00	0.00%	0.00%	0.00%
2007	\$145.00	0.00%	0.00%	0.00%
2008	\$145.00	0.00%	0.00%	0.00%
2009	\$145.00	0.00%	0.00%	0.00%
2010	\$145.00	0.00%	0.00%	0.00%
2011	\$145.00	0.00%	0.00%	0.00%
2012	\$145.00	0.00%	0.00%	0.00%
2013	\$160.00	10.34%	10.34%	1.29%
2014	\$160.00	0.00%	10.34%	1.15%
2015	\$170.00	6.25%	16.59%	1.66%
2016	\$185.00	8.82%	25.42%	2.31%
2017	\$195.00	5.41%	30.82%	2.57%
2018	\$205.00	5.13%	35.95%	2.77%

TOWNES AT KETTLE CREEK OWNERS ASSOCIATION

ANNUAL MEMBERSHIP MEETING

OFFICIAL PROXY

I hereby certify that I own, via recorded Deed, the following described property:

(TOWNES AT KETTLE CREEK ADDRESS)

I hereby appoint as my official Proxy, _____ to exercise my vote on any and all agenda matters and subjects that may come to the attention of the Membership of the Townes at Kettle Creek Owners Association at, and only at, the meeting of that body to be held on October 16, 2017. Blank proxies will be assigned to the Board President.

Name: _____
(PLEASE PRINT)

Signed: _____ (Required to be valid)

Date: _____

Please give to your designated proxy or forward to Darren Burns, Managing Agent, Z&R Property Management, 6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918, Fax (719) 884-4496 or (719) 594-0473 or email to Darren@zandrmgmt.com.